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UNITED STATES DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

THE 1963 FEED GRAIN PROGRAM

An explanation prepared especially for Agricultural Stabilization and Conservation Committeeen

The 1963 feed grain program again provides for the voluntary reduction of corn, grain sorghum, and barley acreage from the 1959-60 base acreage of these crops on individual farms. The sign-up period extends from February 1 through March 22, 1963.

Farmers who make the voluntary reductions in 1963 will receive payments for taking crop-land acreage out of the production of those crops and putting that acreage to conservation uses.

Their production of corn, for instance, then will be eligible for national average price support of \$1.25 per bushel. The average loan value will be \$1.07 per bushel and there will be an across-the-nation price support payment of 18 cents per bushel. This 18-cent payment will be computed on the farm's adjusted normal production for the acreage planted in compliance with the 1963 program. It will be paid even if the corn is fed to livestock or sold. It will be in addition to the price support loan. If the 1963 crop is a failure, it still will be paid.

These same situations also apply to grain sorghum and barley. Support price loan levels will be \$1.71 per cwt. (96 cents per bushel) for grain sorghum and 82 cents per bushel for barley. Support payment will be 16 cents per bushel (29 cents per cwt.) for grain sorghum and 14 cents per bushel for barley.

In the 1963 program, which is similar to that for 1962, the farm bases for corn, grain sorghum, and barley will be combined into one feed grain base for the farm. For example, a farm taking part in the program on which corn, barley, and grain sorghum are produced will have one feed grain base made up in part from the 1959-60 corn acreage, in part from the barley acreage, and in part from the grain sorghum acreage for the same years. The diversion payments will be based on the acreage and the kind of feed grain

taken out of production. Although the program was not available before the planting of fall barley, those farms on which barley, corn, and/or grain sorghum are grown may participate by making the reduction in acreage in corn, barley, or grain sorghum since these crops will have contributed to the farm feed grain base.

Those who sign up for the 1963 feed grain program may not graze the diverted acres for the period May 1, 1963 to November 1, 1963.

The principal points of the 1963 feed grain program are:

1. The program is voluntary.
2. It applies to corn, grain sorghum and barley, which together are referred to as the "total feed grain base" in this program explanation.
3. To take part in the program, a farmer agrees to take out of production at least 20 percent of the total feed grain base for his farm.
4. The farmer who diverts as many acres as he signs up to divert and otherwise complies with the program earns a payment for acreage diversion and becomes eligible for the feed grain price support. However, he is not eligible for payments or price support if the feed grain acreage exceeds the feed grain base on any farm in which he has an interest in the corn, barley, or grain sorghum crop.
5. Diversion payments based on the farm's established normal yield and the local price support rate will be made on qualifying acreage taken out of production.
6. Price support payments of 18 cents a bushel, based on the established normal yield for the farm, will be made on the 1963 acreage

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of corn. A similar payment will be made on barley at 14 cents a bushel and on grain sorghum at 16 cents a bushel. The same per bushel price support payment rates will be applicable to all complying farms.

7. Advance payments for diversion—up to one-half of the amount of the diversion payment for taking feed grain acreage out of production may be made upon request at signup time or later.
8. Price support loans, purchase agreements and the price support payment for corn, barley, and grain sorghum will be available only to those who sign up to take at least 20 percent of the total feed grain base for their farms out of 1963 crop production and devote that acreage to conservation uses and maintain the normal conserving base acreage for the farm. Price support loans and purchase agreements for those who take part in the program are available for their entire production of corn, grain sorghum and barley in 1963.

Producers who cooperate with the Government in the effort to continue reducing supplies of feed grains will thus receive financial returns for acreage diverted from feed grain production, plus support prices, including price support payments, for the feed grains they produce.

Although the program is entirely voluntary, those producers who choose not to sign up in the program will not be eligible for price support on corn, grain sorghum or barley. They may feed or sell them in any way they choose.

General

Producers on farms that grew these grains in either 1959 or 1960, or in both years, may take part in the 1963 feed grain program. Only those taking part are eligible for price support on their 1963 crops of corn, barley, and grain sorghum and for the diversion payment.

A general explanation of the program and the requirements for taking part—becoming a participant—are given on the following pages.

Producer Declaration of Intention to Take Part

County ASCS offices will have forms on which a farmer may declare his intention to participate in the program.

Farm Acreage Information

From information previously supplied by producers, county ASC committees have determined corn, barley, and grain sorghum base acreages and the total feed grain base acreage for all farms known to have produced feed grains in 1959 and 1960. Farm yields and diversion rates of payment also have been determined, and farmers will receive a notice of these determinations. However, this action is not a signup in itself—the producer must still file his declaration of intention to participate in the program.

How Much Reduction?

The smallest number of acres of the farm feed grain base that can qualify under the program is calculated from the established feed grain base for the farm. That acreage is 20 percent of the total feed grain base. If more than one of the feed grains is grown on the same farm, the reduction may be made in any one crop or part in each crop. The payment will be made for the feed grain or grains actually reduced—if the base is made up of corn and grain sorghum and the entire reduction is made in grain sorghum, the diversion payment will be figured on grain sorghum. If the farm has a total feed grain base made up of two or more feed grains, the acreage for payment will be based on those crops underplanted.

The largest number of acres that can be taken out of production for diversion payment and used for conservation depends on the size of the farm's total feed grain base.

If the feed grain base is 25 acres or less, the base becomes the largest acreage that can be taken out of production for payment. If the farm feed grain base is more than 25 acres, the largest acreage that can be taken out of production for payment is 25 acres or 40 percent of the base, WHICHEVER IS LARGER.

For example: If a farm has a feed grain base of 22 acres—the smallest acreage that would qualify the farm would be 20 percent of 22 acres or 4.4 acres. The largest acreage that could be taken out of production for payment would be 22 acres.

For example: If a farm has a feed grain base of 48 acres—the smallest acreage to qualify the farm would be 20 percent of 48 acres or 9.6 acres. The highest acreage that could qualify for payment under the program would be 25 acres.

For example: If a farm has a base of 80 acres, the smallest acreage to qualify the farm would be 20 percent of 80 acres, or 16 acres. The largest acreage for which the farm could receive payment would be 40 percent of 80 acres, or 32 acres.

Total Acres of Conservation Use

The cropland acres diverted to conservation uses under the 1963 feed grain program must be in addition to the farm's average acreage devoted to conservation use for 1959 and 1960 (the base years) and any acreage diverted to conservation use under other Federal programs.

Permitted Acres of Feed Grains

Each participating farm will have a total permitted acreage for the feed grains, corn, barley, and grain sorghum.

After a farm operator decides how many acres of his feed grain base he will take out of production (his intention), that acreage is subtracted from the total feed grain base. The result is the permitted acres of feed grains for 1963. The permitted acres then becomes the largest acreage of corn, barley, and grain sorghum that can be produced on the farm in 1963 if the producer expects to fully qualify for diversion and price support payments, and for price support loans.

Eligibility for 1963-Crop Feed Grain Support

Producers of corn, barley, or grain sorghum, to qualify for price support on 1963 crops of these feed grains, must:

1. Sign up for the 1963 program at the ASCS county office.
2. Take at least 20 percent of the farm feed grain base out of production.
3. Comply with his intended diversion as stated in his signup papers.
4. Use the acres taken out of feed grain production for conservation use in addition to the conservation use base acreage for the farm.

Price Support Rates

The total price support for 1963 for corn, barley, and grain sorghum is in two parts:

The **loan rate** for corn is \$1.07 a bushel, national average, and the **price support payment** is 18 cents a bushel, making a total **price support rate** of \$1.25 a bushel, national average.

For barley, the national average loan rate is 82 cents a bushel and a price support payment rate of 14 cents a bushel, making a total national average price support rate of 96 cents a bushel.

For grain sorghum, the national average loan rate is \$1.71 per cwt. (96 cents per bushel) and the national average price support payment rate is 29 cents per cwt. (16 cents per bushel) making a national average price support rate of \$2.00 per cwt.

Loan rates will be calculated for each county in which each of the crops is grown, in the same manner as county loan rates have been determined in the past.

The price support payment will be made to those taking part in the program. Producers will receive notices of the per-acre price support payment rate for their farms. If more than one of the three feed grains is produced on a farm, a separate per-acre rate will be established for each feed grain.

The price support payment, based on each producer's share in the crop, will be made to all participants in the program who plant feed grains for harvest, and will be made regardless of the use made of the grain. The producer may sell the grain or feed it if he wishes and still receive the payment. This is the first time in the feed grain program that a part of the total price support rate has been made as a payment and has been available to those producers who feed the grain to livestock on their own farms.

Payment Rates for Diversion

For each farm, in most cases, two diversion payment rates per acre will be figured for corn, barley, and grain sorghum, as applicable.

One of these rates will be based on 20 percent of the established normal yield for the farm and the applicable county price support rate. This rate will apply to the minimum or first 20 per-

cent of the feed grain base diverted from production (except for farms on which up to 25 acres is taken out of production, as explained in the next paragraph). The other rate for diverting feed grain base acreage will be based on 50 percent of the established normal yield for the farm and the applicable county price support rate for the crop diverted. This rate will apply to all acreage diverted above the first 20 percent (except under conditions as explained in the next paragraph).

Exception to the 20 and 50 percent payment rates is as follows:

A producer is eligible for the payment rate at the 50 percent level for diverting up to 25 acres of the feed grain base provided he does not plant any feed grain and that where the farm base is 25 acres or more the conservation acres are increased by the larger of 25 acres or 20 percent of the base.

Producers who cash rent publicly-owned cropland, whether Federal, State, or county, should consult the county ASCS office for diversion rates for such land.

Diversion Payment When Base is 25 Acres or Less

On farms for which the base is 25 acres or less, the following examples show the method of applying the rates of diversion payment:

Assume that a farm has a feed grain base of 21 acres (all corn) with rates of payment of \$13.75 per acre for the first 20 percent diversion and \$34.37 per acre for the acres diverted above the first 20 percent.

1. If the farm diverts only 20 percent of the base, the diversion payment would be figured like this:

$$\begin{aligned} 20 \text{ percent of } 21 \text{ acres} &= 4.2 \text{ acres} \\ 4.2 \text{ acres times } \$13.75 &= \$57.75 \text{ total diversion payment} \end{aligned}$$

2. If the farm diverts more than the 20 percent, say 10 acres—5.8 acres more than the minimum—the payment would be:

$$\begin{aligned} 20 \text{ percent of } 21 \text{ acres} &= 4.2 \text{ acres} \\ 4.2 \text{ times } \$13.75 &= \$57.75 \\ 10 \text{ acres minus } 4.2 \text{ acres} &= 5.8 \text{ acres above the minimum} \\ 5.8 \text{ times } \$34.37 &= \$199.35 \end{aligned}$$

The total diversion payment would be \$57.75 plus \$199.35 = \$257.10.

3. If the farm diverted as many acres as possible under the program, which would be the entire base of 21 acres, the payment would be:

$$21 \text{ times } \$34.37 = \$721.77$$

In like manner, the 50 percent rate would apply to (1) any farm diverting its entire base of 25 acres or less, or (2) any farm with more than 25 acres base which diverts the larger of 25 acres or 20 percent of base, and does not plant any 1963 crops of corn, grain sorghum, or barley on the farm.

Diversion Payment When Base is More Than 25 Acres

For farms with feed grain bases of more than 25 acres, the smallest number of acres that can be diverted is 20 percent of the total feed grain base. The greatest number of acres that can be diverted for payment is 40 percent of the base or 25 acres, whichever is larger, as explained previously.

For example: Assume that a farm has a feed grain base of 80 acres with payment rates of \$13.75 and \$34.37 and that 30 acres are diverted. The number of acres to which each rate would apply would be figured this way:

$$20 \text{ percent of } 80 \text{ acres} = 16 \text{ acres}$$

Since 30 acres diverted is more than 20 percent of the feed grain base, there would be 14 acres diverted to which the higher rate would apply.

The total 40 percent diversion payment then would be:

$$\begin{array}{r} 16 \times \$13.75 = \$220.00 \\ 14 \times \$34.37 = \$481.18 \\ \hline \text{Total diversion payment} & \$701.18 \end{array}$$

Or, if 25 acres were diverted and no feed grains were grown on the farm, the diversion would be paid at the maximum rate, or:

$$25 \times \$34.37 = \$858.85$$

The Price Support Payment

The price support payment on participating farms is made on the basis of the established normal yield per acre for the crop and the number of acres planted. The price support payment for corn is 18 cents a bushel for all participating farms, regardless of location in the United States.

Assume that a farm has a feed grain base of 80 acres (corn) and an established yield for the farm of say 60 bushels per acre, and that 20 acres are diverted from the feed grain base to conserving uses and 60 acres of corn are planted and all other requirements for a participating farm are met.

The price support payment would be figured in this way:

$$60 \text{ bu.} \times \$0.18 = \$10.80 \text{ per acre}$$

$$\$10.80 \times 60 \text{ acres} = \$648.00$$

In addition, the entire production from the 60 acres would be eligible for the local price support loan.

The price support payment would be made even if the corn produced on the 60 acres were fed to livestock on the farm or if part of the production were sold or placed under price support loan.

Obviously, on farms where the entire feed grain base is diverted to a conserving use or where no feed grains are planted for harvest, there would be no price support payment.

Use of Diverted Acres

The acres diverted from the production of feed grains are to be used for approved conservation measures (with exception of substitute crops) if the participating farm is to remain eligible for diversion payments, price support payments, and price support loans. Erosion, weeds, rodents, and insects are also to be controlled on the diverted acreage.

Diverted acreage under the 1963 feed grain program may not be grazed for the period May 1, 1963 to November 1, 1963.

Planting Approved Substitute Crops on Diverted Acres

A farmer may plant castor beans, guar beans, safflower, sesame, or sunflower on the diverted acres. If this is done, the diversion payment will be a percentage of the payment that would otherwise be made. The percentages are as follows:

- Sesame----- 40 percent of lowest applicable diversion rate for farm.
- Guar----- 30 percent of lowest applicable diversion rate for farm.
- Castor Beans_ 30 percent of lowest applicable diversion rate for farm.
- Sunflower---- 20 percent of lowest applicable diversion rate for farm.
- Safflower---- No diversion payment

Diverted feed grain acreage used for these crops is counted in meeting the diversion requirements for participating farms.

Conservation Uses

The feed grain diverted acreage may be devoted to the following conservation uses:

1. Permanent-type or rotation cover of grasses and legumes.
2. Temporary cover of grasses or legumes.
3. Wildlife food or habitat plantings.
4. Trees or shrubs.
5. Other uses.

Each county ASCS office has a list of conservation uses that have been approved for the county.

Diverted Acres in Connection with the Agricultural Conservation Program and the Great Plains Conservation Program

Participation in the feed grain program will not prevent a farmer from applying for assistance under the Agricultural Conservation Program or the Great Plains Conservation Program in establishing conservation uses on the diverted acres. The county ASC Committee may approve ACP cost-shares on the diverted acres. This assistance is not guaranteed. Those interested in the Great Plains Conservation Program should consult any USDA representative in the county.

Making Payments

The diversion payment and the price support payment will be made as requested by the participant, either through the issuance of negotiable certificates that may be redeemed in grain or a sight draft.

Division of Payments

Where a division of the payment is to be made between the landlord and a tenant, the division will be shown on the application for payment. County ASC committees will have the respon-

sibility to satisfy themselves that the division of the diversion payment is fair. The price support payment will be divided among producers as they share in the 1963 crop.

To Participate

To participate in the 1963 feed grain program, the following steps should be taken: A farmer first supplies his county ASCS office with an acreage report if that was not done under the 1961 or 1962 program or in preparation for the 1963 program. That report shall include the acreage and crops produced on his farm in 1959 and 1960. (Most farmers already have supplied this information to the county ASCS offices.)

On the basis of the information filed by the farmer, the county ASC committee establishes a base for the farm. If the farmer has been producing only corn, the base is derived from the acreage of corn, or if only grain sorghum is produced, the base is derived from the acreage of grain sorghum, or if only barley is produced, it is derived from the acreage of barley. If more than one of these crops is produced, separate base acreages will be determined for each crop. The total base represents the sum of the individual bases.

Owners and operators should receive a notice of base acreages, yields and diversion payment rates for the farm.

The next step is for the farmer to complete and file at the ASCS county office, not later than the final date (March 22, 1963), an intention-to-participate form. If he wants an advance payment, he will so indicate at that time. After this form is filed, the farmer then will have the responsibility of (1) diverting acreage from corn, barley, and/or grain sorghum in total to the extent indicated, (2) designating the acreage of land to be diverted and establishing conservation use on such land, (3) maintaining the conservation base acreage on his farm, and (4) not exceeding his total feed grain base on any other farms in which he shares in the corn, barley, or grain sorghum crops. (Intentions to participate may be changed until the March 22 deadline is reached.)

Advance Payment

At the time he files his intention-to-participate form, a producer may also make a request to the county ASCS office for an advance payment not to exceed one-half his estimated total diversion payment for participation in the program. If he takes an advance payment, he will receive the balance of his diversion payment probably about September 1, after performance on the farm has been established. The price support payment will also be made at the time the final diversion payment is made.

A Participant Has These Advantages

1. Price support will be available for his 1963 production of corn, grain sorghum, and barley.
2. A substantial income from the acres diverted is assured regardless of drought, flood, insects, hail, or crop disease.
3. The price support payment on the established yield on the planted acreage is also assured.
4. An advance payment not to exceed one-half of the estimated total diversion payment, at the participant's request, will be made at the time of signing up or as soon as possible after that time.

Land Eligible for Diversion

Generally, cropland may be designated as diverted acreage if it meets one of the following conditions:

1. Has been used for the production of small grains or row crops in at least one of the years 1959, 1960, 1961, or 1962.
2. Has been used to produce tame hay during the 1959-1962 period in a normal rotation pattern and is equal in productivity to the land on which feed grains have been produced.
3. Designated as diverted acreage under the 1961 or 1962 feed grain programs or the 1962 wheat stabilization program, except such designated land as has been planted to trees or is used for water storage.

(Specific eligibility of diverted acreage should be obtained from the county ASCS office.)

Price Support—Oats and Rye

The 1963 national average loan and purchase agreement rate for oats is 65 cents per bushel and for rye is \$1.07 per bushel. There are no cross compliance features for these two grains and eligibility for price support does not require participation in the 1963 Feed Grain Program.

(This explanation is provided to help in the general understanding of the 1963 feed grain program. It does not replace official instructions and regulations applicable to individual farm situations.)

